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TECHNICAL COOPERATION IN CUSTOMS ADMINISTRATION AND TRAINING

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Agreement Between the
UNITED STATES OF AMERICA
and SAUDI ARABIA

Signed at Riyadh and Washington
June 11 and 22, 1978

NOTE BY THE DEPARTMENT OF STATE

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SAUDI ARABIA

Technical Cooperation in Customs Administration and Training

Agreement signed at Riyadh and Washington June 11 and 22, 1978;
Entered into force August 10, 1978.

PROJECT AGREEMENT

between the

Ministry of Finance and National Economy
Government of the Kingdom of Saudi Arabia

and the

Department of Treasury
Government of the United States of America

for

Technical Cooperation in
Customs Administration and Training

Article I. Scope

By terms of this Agreement, the Department of Treasury (Treasury) of the United States of America herewith agrees with the Ministry of Finance and National Economy (MFNE) of the Kingdom of Saudi Arabia to undertake a project for the provision of technical, management, training and manpower development advisory assistance by the Department of Treasury's U.S. Customs Service (USCS) to MFNE's Department of Customs (SADC).

Article II. Authorization

The project will be carried out under the auspices of the United States - Saudi Arabian Joint Commission on Economic Cooperation and in accordance with the provisions of the Technical Cooperation Agreement between the Governments of the United States and Saudi Arabia, signed on February 13, 1975,[1] which is hereby incorporated by reference and becomes a part of this Agreement.

[1] TIAS 8072; 26 UST 880.

Article III. Guide for Services to be Performed

Under the terms of this Agreement, USCS will provide up to 48 man-months of Customs Administration Advisory Services to SADC during a one year period beginning with the effective date of this Agreement. Services will be provided to SADC by a four member USCS team and by other short-term experts as are appropriate in the following four areas:

1. Overall Customs Administration. The Principal Customs Advisor, acting as USCS team leader, will act as the principal point of contact with SADC officials and will coordinate the work of the other team members. He will also work generally to upgrade the technical and managerial capabilities of SADC and to increase its overall planning and programming of customs activities.

2. Technical services. The U.S. Technical Advisor will work to improve and modernize SADC operations and procedures relative to the entry, assessment, classification, analysis, security, transit and clearance of cargoes, baggage, and passengers entering Saudi Arabia from abroad or transiting Saudi Arabia.

3. Management Services. The U.S. Management Advisor will analyze the productivity and efficiency of operations and of the administration of existing regulations, will analyze data collection mechanisms in terms of their effectiveness and maintenance, will analyze and evaluate logistic procurement, maintenance, distribution, disposal, warehousing and inventory control and will formulate standards, priorities, and implementation plans on the basis of these analyses.

4. Training Programs. The U.S. Training and Manpower Development Advisor and other USCS personnel in Riyadh and in the U.S. will assist SADC in establishing procedures and scheduling for long-term overall training programs for its employees.

Subject to the availability of funds, these programs will include the placement of up to 80 SADC employees per year in U.S.-based specially programmed USCS seminars which will include observational tours of USCS operations at selected field offices and a program of intensive English language training. They will also include the placement of up to 15 SADC employees per year in U.S.-based graduate-level programs in the field of Public Administration. Finally, they will include appropriate on-the-job training programs.

A detailed description of each adviser's work program is contained in Attachment I - "Working Experts Required by the Central Department of Customs Under Five-Year Plan 1395-1400AH." A locally-hired administrative assistant will work with the team in Riyadh to provide administrative support services. USCS will also assign staff, as required, to coordinate in Washington the technical backup and logistical support to the advisory team stationed in Riyadh and the staff and resources required to implement U.S.-based training.

Article IV. Responsibilities of Treasury

A. Treasury's USCS will support this project by:

1. recruiting and hiring four technical personnel, as detailed in Attachment I to work in SADC;

2. designating the Principal Customs Adviser on the USCS team as team leader who will be responsible for coordinating the team's efforts and acting as the team's principal point of contact with SADC;

3. recruiting and hiring one additional administrative assistant to work with the team in Riyadh;

4. designating a project coordinator and other personnel in its Washington office to oversee the work of the USCS team, to monitor U.S.-based training programs related to the project and to periodically make on-site evaluations of the team's effectiveness in meeting its goals;

5. establishing, providing personnel for, and coordinating USCS training programs and seminars both in Saudi Arabia and in the U.S. for selected SADC personnel;

6. working with the Saudi Education Mission in Houston to place selected SADC officers in appropriate graduate programs in the U.S.;

7. providing SADC with short-term experts in areas of specific concern within the limitations of the budget in Article VIII;

8. arranging for appropriate consultations in the U.S. for SADC personnel.

B. Treasury will support this Agreement by:

1. monitoring the implementation of all phases of this project through the Office of the United States Representation to the Joint Commission in Riyadh, Saudi Arabia, and the Office of Saudi Arabian Affairs in Washington, D.C., U.S.A.;

2. providing all necessary logistical support to U.S. Government personnel stationed in Saudi Arabia in connection with this project.

Article B. Responsibilities of MFNE and SADC

MFNE and SADC will support this project by:

1. Designating an appropriate SADC official to be responsible for coordination between U.S. personnel under this project and MFNE.

2. Identifying and providing other appropriate counterpart personnel from SADC to work with the members of the USCS team.

3. Providing USCS team personnel with access to MFNE computer facilities and other relevant statistical data and information available to SADC and to MFNE.

4. Providing USCS team members with adequate offices, furnishings, and facilities in Riyadh and making

these available to them in other parts of the Kingdom when this shall be necessary to perform their duties.

5. Providing secretarial and on-the-job logistical support.

6. Providing interpreter and translator services as necessary.

7. Providing the USCS team with names and information concerning SADC personnel to receive training, and working with it to evaluate and revise training programs.

8. Providing other job-related support services as needed to enable the USCS team to effectively perform its duties.

Article VI. Coordination

Coordination in Saudi Arabia of this project with other Joint Commission activities of the United States Government will be the responsibility of the Office of the U.S. Representation to the Joint Commission in Riyadh. The office will also serve as the point of contact for all policy-related matters between NFNE and Treasury concerning this project.

Article VII. Force Majeure

If any party to this Project Agreement is rendered unable because of force majeure to perform its responsibilities under this Agreement, these responsibilities shall be suspended during the period of continuance of such inability. The term "Force Majeure" means Acts of God, acts of the public enemy, war, civil disturbances, and other similar events not caused by nor within the control of the parties. During the period of suspension of performance caused by force majeure, Treasury may continue to pay normal costs of maintaining project personnel in Saudi Arabia from funds advanced to the United States by the Government of Saudi Arabia. In the event of suspension of a party's duties because of force majeure, the parties shall consult and endeavor jointly to resolve any attendant difficulties.

Article VIII. Estimated Budget

Formal budgets will be submitted by USCS to MFNE by year. The total cost for the first year of this project is estimated to be $1,681,000. This estimate covers the following expenses:

Personnel Compensation and Benefits	$ 219,000
Travel and Transportation	63,000
Housing and Related Expenses	197,000
Other	243,000
Total for Long-term Advisory Assistance	$ 722,000
Local Staff	35,000
Short-term Advisory Assistance	67,000
Equipment and Supplies	22,000
Training*	835,000
TOTAL	$1,681,000

*Training figure covers the cost for short-term U.S. training for 80 SADC employees and long-term training for 15 SADC employees. [Footnote in the original.]

Article IX. Dollar Trust Account

The Government of Saudi Arabia has agreed to deposit in the Dollar Trust Account in the United States Treasury established by the Technical Cooperation Agreement the sum of $1,681,000 to cover the estimated costs for the first year's activities delineated in Article VIII above.

Article X. Confidentiality

To the extent permitted by U.S. law, Treasury and USCS will, upon request of the MFNE, keep confidential any information or data provided to it by the MFNE or generated as a result of the activities of USCS pursuant to this Agreement.

Article XI. Effective Date

This Agreement shall become effective after signature by representatives of parties and after the deposit by the Government of Saudi Arabia of the initial sum described in Article IX, above,[1] and shall remain in effect until terminated by the parties hereto in accordance with Article XII below, or the termination of the Technical Cooperation Agreement of February 13, 1975, whichever shall occur first.

[1] Aug. 10, 1978.

Article XII. Amendment, Extension or Termination

A. This Agreement may be amended or extended by mutual agreement in writing.

B. This Agreement may be terminated by any party notifying the others 60 days in advance in writing.

C. Unless terminated 60 days in advance in writing this agreement will be considered to be automatically renewed at the end of each year for one additional year.

Article XIV. Resolution of Difficulties

Treasury and the MFNE shall consult, upon request of either party, regarding any matter related to the terms of the Agreement, and shall endeavor jointly in a spirit of cooperation and mutual trust to resolve any difficulties or misunderstandings that may arise.

GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

[1] [2]

Ministry of Finance and National Economy

GOVERNMENT OF THE UNITED STATES OF AMERICA

[3]

U.S. Customs Service

[4]

Department of Treasury

Executed: June 22, 1978

[1] Mohammad Al-Rushudi.
[2] M. Al-Turki.
[3] R. E. Chasen.
[4] John Hummon.

ATTACHMENT I

WORKING EXPERTS REQUIRED BY SADC

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1. Principal Customs Adviser

A senior adviser to the Director-General of SADC in all Customs affairs. This adviser, experienced in Customs organization and administration and with a working knowledge of Customs operations procedures will be needed to:

(a) assist in overall planning and programming of Customs activities, including training;

(b) coordinate the activities of experts;

(c) provide general supervision of expert staff and evaluation of performance;

(d) maintain liaison between top level staff and experts; and

(e) maintain liaison with U.S. Customs, International Operations Division, Washington, D.C.

2. Technical Adviser

A working expert is needed to provide the additional technical skills required to improve, modernize and facilitate all operational procedures relative to the entry, assessment, classification, analysis, security, transit and Customs clearance of cargoes, baggages, and passengers entering Saudi Arabia from abroad or transiting Saudi Arabia.

A major objective of this position is to assist SADC in the development of efficient procedures that will improve the dispatch of passengers and goods transiting or entering Saudi Arabia, while at the same time

protecting Saudi Arabian revenues from fraud and smuggling.

The technical expert is required to assist:

(a) in the development of adequate and efficient systems at all Customs point of entry that govern manifest procedures, supervision and control of merchandise, timely entry of merchandise and finally, disposal of overlain/unentered merchandise;

(b) in the development of efficient procedures to facilitate the clearance of passengers and persons and their effects entering Saudi Arabia, and screening of such passengers or persons to prevent the entry of smugglers, terrorists or other undesirable persons;

(c) in the development of uniform procedures for the assessment, classification, and statistical reporting of imported merchandise;

(d) in the development of uniform procedures for the sampling and qualitative and quantitative analysis of imported merchandise.

Beginning date: As soon as possible

3. Management Adviser

A management adviser is required to develop a single operating system for the SADC that will bring all Customs sub-systems into one uniform system of operation.

The management adviser will:

(a) define the system and identify all sub-systems;

(b) analyze operations and the integration of sub-systems, in terms of resources, productivity and efficiency;

(c) establish immediate goals and objectives to conform and coordinate with improvements in the sub-system;

(d) set overall objectives in terms of integration of the system;

(e) formulate implementation plans to:

(1) develop changes in the system that are essential to its improvement;

(2) develop new work systems and necessary work manuals to accomodate these changes; and

(f) evaluate effectiveness of changes in terms of process criteria (productivity and efficiency).

Beginning date: As soon as possible

4. Training and Manpower Development Adviser

A trained staff is basic to a viable and on-going Customs organization. Trained staff will be required to carry out the various programs, improvements and new operational procedures envisioned by this project agreement.

The training adviser will:

(a) assist in selecting personnel for training, including academic study;

(b) evaluate the qualifications of candidates to be trained in the United States to determine needs:

(c) formulate employee development plans for each candidate;

(d) process candidates applications for placement in academic institutions of advanced study or U.S. Customs International training programs;

(e) provide training liaison with U.S. Customs, International Operations Division's project manager for international training;

(f) evaluate training needed at present by SADC;

(g) develop programs in-country for training;

(h) provide on the job training to implement changes as required by the overall Customs improvement plan;

(i) evaluate the effectiveness of training program; and

(j) develop short-term and long-term training plans.

Beginning date: As soon as possible

5. Short Term Advisers

During the life of this project it is expected that the services of experts from USCS will be required to assist the Advisory Team in Riyadh on a short term basis in specialized Customs areas, the timing and need for which will be determined through the implementation of this Agreement.

USCS will provide SADC the services of additional Customs experts on a short term basis as need requires.

Beginning date: When required

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